MR. CHAIRMAN: I am very careful. I am allowing you to put a number of questions.

SHRI CHITTA BASU: I have seen for myself that quite a lot of amount of gas is being burnt out. What steps does the Government propose to take to utilise it for some other purpose instead of burning it away?

SHRI NARAYAN DATT TIWARI: The establishment of refineries in Assam or elsewhere has been a historical development. It does not mean only the refining capacity. It also means distribution where the consumption of petroleum products is there. There are specific centres where the need for these petroleum products, diesel, petrol, etc. is more. We have to have refining capacity in areas where it works out more economical to the consumers. We have to have refineries in those parts of the country where the consumption is more. We have a refinery in the State of the hon. Member at Haldia. The State of West Bengal is a major consumer. The hinterland of Calcutta is there. Ther is a refinery at Barauni. The historical development has been to put up refining capacity in other parts of the country also which are the consuming centres. That does not mean that we should not have refining capacity in Assam. Therefore, as my colleague has already mentioned, we are also having it in Assam. This permanent feature of the new refinery in Assam is exactly what the hon. Member has mentioned and it is to have more refining capacity in Assam so that they get all the petroleum products that is produced there. Some may be used within Assam and the remaining has to go outside Assam.

About gas, the Chief Secretary of Assam discussed this matter only a few days back with our Secretary of Petroleum. The Gas Authority and the Engineers India Limited are now in the process of preparing a preliminary study. A representative of the Assam Government will also be associated in this matter. The feasibility report is being prepared.

श्री राम चन्द्र विकल : मैं माननीय मंत्री जी से जानना चाहता हूं कि सर्वे डिपार्टमेंट गवर्नमेंट का है जो सर्वे करता है, उस पर खर्चा होता है, तो इसे प्राइवेट सेक्टर में देने की क्या जरूरत है ? क्या आपने असम सरकार से विचार-विमर्श किया और क्या वे आपके इस प्रस्ताव पर इसे प्राइवेट सैक्टर में खोलने के लिये तैयार हैं ? केन्द्र और राज्य सरकारों को पब्लिक सैक्टर को प्राथमिकता देनी चाहिये, क्या आपने इस पर विचार किया है ?

श्री नारायण दत्त तिवारी : श्रीमन् हमारे अनुभवी विद्वान सदस्य ने जो कहा, उसके बारे में मैं यह बताना चाहता हूं कि यह असम समझौते का एक भाग है और उस समय रात दिन इस पर विचार-विमर्श हुआ था । तब यह निर्णय किया गया कि संसाधनों की कमी को देखते हुये व्यक्तिगत क्षेत्र में इसकी स्थापना की जाए । लेकिन जैसा कि मैंने कहा इसका नियंत्रण तो अन्ततोगत्वा राज्य का ही होगा । इसकी क्रय-विक्रय प्रणाली राज्याधीन ही रहेगी । इसलिये उसमें अधिक चिन्ता करने की बात नहीं है ।

Separate Fund for Development of Small Scale Units

*242. SHRI KAPIL VERMA:†
SHRI KALPNATH RAI:

Will the Minister of INDUSTRY be pleased to state:

(a) whether Government propose to set up a separate fund for the development of small scale units in the country; and

(b) if so, what are the details thereof and the plans drawn up for its utilisation?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL

†The question was actually asked on the floor of the House by Shri Kapil Verma.

DEVELOPMENT (SHRI M. ARUNACHALAM): (a) and (b) Yes, Sir. In order to provide a focal point for co-ordinating financial assistance to the small scale sector at the apex level, Small Industries Development Fund (SIDF) with a corpus of Rs. 2500 crores has been set up in the IDBI. This Fund is charged with the responsibility of providing refinance assistance for development, expansion, diversification, modernisation and rehabilitation of small scale industries.

MR. CHAIRMAN: Yes, Mr. Kapil Verma.

SHRI KAPIL VERMA: Sir, I am happy that an assurance given by the Finance Minister in his speech on the Budget has been fulfilled. But I would like to know whether this will be a revolving fund and what would be the mode of operation of this fund. I would like to know whether the channelisation would be through the State Governments or the State Financial Corporations or whether it would be done directly by the IDBI.

SHRI M. ARUNACHALAM: Sir, to start with the Fund, the Fund will have a corpus of, as I stated already, Rs. 2,500 crores. The Fund will be created with an initial cash contribution of Rs. 100 crores from the IDBI General Fund. The Fund will play a significant role in assisting the small scale sector and will pay special attention to the problems of tiny industries. The Fund will provide assistance for development, as I said earlier, and also for expansion, diversification, modernisation and rehabilitation of the small-scale units, and such assistance will be routed through the State Financial Corporations, commercial banks, co-operative banks, Regional Rural Banks and other eligible institutions.

MR. CHAIRMAN: No. The question is whether the Fund will be a revolving fund or whether it is only a one-time grant. That is the question put by Mr. Kapil Verma.

SHRI M. ARUNACHALAM: Sir, the *modus operandi* has to be evolved.

MR. CHAIRMAN: All right. You put your second supplementary, Mr. Kapil Verma.

SHRI KAPIL VERMA: Sir, in the reply, he has also mentioned "rehabilitation". Therefore, I would like to know whether this Fund will be utilised for the rehabilitation of the sick small-scale units also which are lying closed and whether it will also be used for the technological upgradation by the small-scale industries and for buying the modern technology that they need.

SHRI M. ARUNACHALAM: Yes, Sir. This Fund will be utilised for the rehabilitation of sick units also and also for modernisation.

MR. CHAIRMAN: Yes, Mr. Aladi Aruna.

SHRI ALADI ARUNA *alias* V. ARUNACHALAM: Sir, due to the financial assistance given by the Industrial Development Bank of India, no doubt, the number of small-scale units is increasing from 11.5 lakhs in 1983-84 to 12.7 lakhs in the year 1984-85. But, unfortunately, Sir, at the same time, the number of sick units is also increasing. Sir, in the year 1982, the number of sick units was 58,551; in the year 1983, it was 78,363; and in the year 1984, the number increased to 91,450; Sir, out of these 91,450 sick units, a Study Team found that only 75,000 units are non-viable. So I would like to know from the honourable Minister what the reason is for these units going sick and for such an abnormal number of sick units. Number two, Sir, what is the action which is going to be taken for the rehabilitation of these sick industrial units?

MR. CHAIRMAN: No. This is not a question arising out of the main question. This is about the Fund. You put

it in a different way and you ask whether this will be utilised for rehabilitation of the sick units also.

SHRI ALADI ARUNA *alias* V. ARUNACHALAM: Yes, Sir. That is my question. I would like to know whether this Fund will be utilised for the rehabilitation of these sick units also.

MR. CHAIRMAN: All right. Please sit down.

SHRI M. ARUNACHALAM: Sir, if you see the sickness in the small-scale sector, you will find that the percentage is not so alarming as the hon. Member has stated.

SHRI ALADI ARUNA *alias* V. ARUNACHALAM: Sir, this is from the 'Economic Survey' itself. *(Interruptions)*. This is from the 'Economic Survey' which I am quoting.

SHRI M. ARUNACHALAM: It is only six per cent of the total industry.

MR. CHAIRMAN: No. The question is whether this Fund will be utilised for rehabilitation also.

SHRI M. ARUNACHALAM: Yes, Sir. This will be utilised for rehabilitation and modernisation of these units.

MR. CHAIRMAN: Yes, Mr. Bansal.

SHRI PAWAN KUMAR BANSAL: Sir, in order to avail of the various incentives and other facilities extended to the small-scale units by the Government, some large and medium-scale industries have been found to control these small-scale units. So, I would like to know from the honourable Minister as to what steps are contemplated to distinguish between the genuine small-scale units and the ones controlled by the medium and large-scale units.

SHRI M. ARUNACHALAM: Sir, we are asking the State Governments to take all the steps necessary to control all these things. If the large-scale industries are intruding into the small-scale sector, we are asking the States to take severe action.

MR. CHAIRMAN: Yes, Mr. Vishwa Bandhu Gupta.

SHRI VISHWA BANDHU GUPTA: Mr. Chairman, Sir, I would like to know from the honourable Minister whether out of this Fund there is any specific allocation for the Union territory of Delhi and whether any substantial portion of this Fund has been used or is going to be used for the sick units.

MR. CHAIRMAN: He has answered the second part. He can answer the question whether there is any specific allocation for each State.

SHRI M. ARUNACHALAM: We are not making allocations State-wise. It is a national Fund.

MR. CHAIRMAN: Yes, Mr. Valiullah.

SHRI RAOOF VALIULLAH: Sir, the creation of Small Industries Development Fund, SIDF, with a corpus of Rs. 2500 crores in May 1986 as part of IDPI for co-ordinating financial assistance to small scale sector at the appex level unfortunately has been marginalised with the transfer of Rs. 2400 crores outstanding to it under various schemes for financing small industries. Therefore, I see no way in which this SIDF is going to give any benefit to the small scale industries. Further, the Government, realising this, formulated a new scheme and a new fund was created called the National Equity Fund which the Minister has not mentioned. This N.E.F., National Equity Fund, has an initial capital of 10 crores of rupees. I would like to ask the hon. Minister whether he has details of the National Equity Fund and whether 10 crores of rupees will be sufficient for the small scale sector in the country keeping in view that this amount of Rs. 2500 crores will be marginalised.

SHRI M. ARUNACHALAM: As far as National Equity Fund is concerned,

the Planning Commission has, in principle, agreed. I hope it may be evolved in the next financial year. The National Equity Fund will be used for the seed capital available to the small scale entrepreneurs to bridge the gap between the margin required for obtaining finance and the funds available with him.

SHRI RAOOF VALIULLAH: Sir, he has not answered my first question. Will the SIDF be marginalised or this amount of Rs. 2500 crores will be marginalised?

MR. CHAIRMAN: He says that this sum of Rs. 2500 crores is only a book adjustment. It is not the net addition.

SHRI M. ARUNACHALAM: It is not correct, Sir.

MR. CHAIRMAN: All right, you have got the answer.

Mr. Kailash Pati Mishra.

श्री कैलाशपति मिश्र : सभापति महोदय, क्रेडिट और डिपोजिट का रेशियो एक स्टेट से दूसरी स्टेट में बहुत वैरी करता है इसका कोई क्राइटेरिया या नियम नहीं है । इस संबंध में पांच सौ करोड़ रुपयों की राशि निर्धारित की गई । मैं यह जानना चाहता हूं कि क्या राज्यों के अनुसार स्माल स्केल यूनिट्स में सिक यूनिट्स की जो बहुत बड़ी मात्रा में वृद्धि हो गई है उसका विचार करके इसको निर्धारित किया जाता है, और वर्ष के अन्त में इस राशि का राज्यों के अनुसार कितना उपयोग हुआ है, इसकी भी कोई रिपोर्ट प्रकाशित होगी ?

श्री नारायण दत्त तिवारी : श्रीमन्, माननीय सदस्य ने जो आशंकायें व्यक्त की हैं, मैं विनम्रतापूर्वक कहना चाहूंगा कि अभी जो व्यवस्था है उसके अन्तर्गत ये आशंकायें निर्मूल हो सकती हैं । एक व्यवस्था है जो रिजर्व बैंक आफ इंडिया ने पहले से ही नियत कर रखी है । प्रत्येक राज्य में जो लघु उद्योग बीमार होते हैं उनके बारे में जानकारी और मूल्यांकन आदि करना राज्य स्तर पर बैठकें आदि बुलाकर निरन्तर होता रहता है । इस सम्बन्ध में मुख्य दायित्व वित्तीय संस्थाओं का है, जैसे बैंक्स हैं, वे देखें कि क्या कोई उद्योग जो उनसे धनराशि प्राप्त करता है वह बीमार तो नहीं पड़ रहा है । पहले उनको यह मालूम होगा कि जो उद्योग उनसे धन प्राप्त कर रहा है, ऋण के रूप में या विनियोजन के रूप में, आया यह बीमार तो नहीं पड़ रहा है । उसका हिसाब-किताब देखने के बाद उनको मालूम हो जायेगा कि कोई यूनिट बीमार तो नहीं पड़ रहा है, वह ब्याज की रकम ठीक से जमा कर रहा है या नहीं । यह जो परिभाषा है, लालबत्ती की परिभाषा है वे उसको जानते हैं कि यह ठीक से जल रही है या नहीं । उनको इस सम्बन्ध में अधिकार हैं, वे उनसे पूंछताछ कर सकते हैं । वे उसके लिये अपने प्रस्ताव बनायें । ऐसी बातों में राज्य शासन भी अपना योगदान दे सकता है । जिन आंकड़ों की बात सम्मानित सदस्य ने कही है, वर्ष के अन्त में इंडस्ट्रियल डेवलपमेंट बैंक की तरफ से अपने वार्षिक प्रतिवेदन में राज्यवार ऐसे आंकड़े प्रकाशित होते रहे हैं और इस सम्बन्ध में भी फण्ड की ओर से ऐसे राज्यवार आंकड़े प्रकाशित करने हों तो इसकी व्यवस्था की जाएगी ।

SHRI BIR BHADRA PRATAP SINGH: Mr. Chairman, Sir, I am glad that the small scale industries are seriously under the consideration of IDBI. I want to know only two things. Is the IDBI prepared to give assistance for the purpose of diversification, modernisation, rehabilitation or expansion directly keeping in view the problem of small scale units? If not, what will be the amount of control that the Central Government proposes in case the State units are not dealing properly with the small scale industries?

SHRI NARAYAN DATT TIWARI: Well, as explained by my esteemed colleague, this assistance will be routed basically through the State Financial Corporations, State Industrial Development Corporations, commercial banks, co-operatives, regional rural banks and other eligible institutions. It would be difficult and very, very difficult for a centralised institution like the IDBI to deal with more than one million small-scale industrial units throughout the country. And then most of hese would have been financed by the State level corporations. If any

complaint comes to the IDBI this could be looked into by the Cell created for the administration of this special Small Industrial Development Fund. But as far as monitoring goes or dealing with specific complaints goes, it also being a subject dealt with by the State administration, I think, it would be better and more practical if it is done by he State level corporations or institutions.

डा० बापू कालदाते : सभापति महोदय, मेरे दो छोटे से सवाल हैं, एक तो यह कि जो इमदाद लघु उद्योगों को आप देते हैं और जो हम भी जानते हैं, इसकी दृष्टि से अगर देखा जाय तो क्या सरकार यह नहीं मानती है कि इसमें यह जो 2 हजार 5 सौ करोड़ रुपये का प्रावधान किया गया है यह बहुत कम है ?

दूसरी बात यह है कि बार-बार आप लोगों ने हमको यह समझाया है कि अलग-अलग फाइनेंशियल एजेंसीज हैं जो लघु उद्योगों को मदद करती हैं। अगर आप की इतनी सारी एजेंसीज इसके लिये हों तो यह मेरी समझ में नहीं आता है कि इस एजेंसी आई० डी० बी० आई० को शुरू करके आप कौन सा फायदा लघु उद्योगों को देने वाले हैं ?

श्री नारायण दत्त तिवारी : श्रीमन् विद्वान सदस्य ने जो बात कहीं . . . (व्यवधान) . . . पुस्तकों के लेखक, साहित्य के ज्ञाता हैं अवश्य ही विद्वान माने जायेंगे।

श्रीमन्, यह जो 2 हजार 5 सौ करोड़ रुपये की निवेश पूंजी बनाई है, पूंजी-कोष बनाया है यह प्रारम्भिक आंकड़ा है और अवश्य ही आवश्यकता के अनुसार 2 हजार 5 सौ करोड़ रुपये की जो निधि है इसको बढ़ाया भी जा सकता है। इसलिए जो शब्द इस्तेमाल किये हैं, टु स्टार्ट विद, प्रारम्भिक रूप में, प्रारम्भिक तौर पर हैं। यह 2 हजार 5 सौ करोड़ रुपये की निधि बढ़ाई भी जा सकती है। बाद में सम्मानित सदन का सहयोग रहेगा तो एक नयी संस्था भी स्थापित की जा सकती है। आवश्यक नहीं कि फंड का रूप विकसित न हो जाय। जहां तक मैं समझता हूं आवश्यकतानुसार इसमें जो हमारी कठिनाइयां हैं उनका निरूपण हो सकेगा। . . . (व्यवधान) . . .

श्रीमती शान्ती पहाड़िया : श्रीमन् मैं मंत्री जी से यह पूछना चाहती हूं कि हमारी राजस्थान स्टेट के लिए, जो वहां उद्योग धंधे चल रहे हैं, उन्होंने कितनी एजेंसीज दी हैं और कितना और अब देने की जरूरत है ?

MR. CHAIRMAN: Not relevant. Now, Mr. Matto.

SHRI GHULAM RASOOL MATTO: Mr. Chairman, Sir, the hon. Minister has said that there are two ways that the IDBI can give the finances. One is through the State agencies like the SFCs and banks and others. And I being a Director of the Local Board of the IDBI, I know that that there is another way of doing that, and that is direct finance. Has the Minister taken into consideration that apart from reimbursing to the SFCs, the direct financing will also be available from this corpus? And, Sir, in that direction I would like to bring to his notice, when this IDBI is being dicussed, that direct finance is only 0.7 per cent in Jammu and Kashmir. While the direct finance is being taken into consideration, will he take into consideration the backward States also and there is no lopsided development because in certain States, as per the report of the IDBI, 17 per cent is given but for Jammu and Kashmir only 0.7 per cent is given. I want a reply from the Minister.

SHRI M. ARUNACHALAM: Sir, we will take all the points raised by the hon. Member . . .

MR. CHAIRMAN : He wants two specific answers: Number one is whether there will be direct financing or it will be only through the State Finance Corporations; Number two is whether you will take into account the backward States in direct financing.

SHRI NARAYAN DATT TIWARI: Under the IDBI charter and statutes, whenever and whatever possible direct financing is allowed to small scale units, that will be done. If there is any specific dispensation for Jammu and Kashmir or other States, that will remain in State dispensation. I must clear all these doubts. As far as 0.7 per cent is concerned. You will be happy that from this 0.7, this zero is being removed.

MR. CHAIRMAN: If you remove zero, then it will be only .7 per cent. You can improve it only if you multiply it.

SHRI A. G. KULKARNI: Sir, I may tell the hon. Minister that this revolving fund may not be a one-time fund because he himself has said that at the starting point this is the amount. But it seems more of a book entry, as my friend from there has said. The amount of Rs. 2400 crores is already there due from the industries that you have taken into account and now made a larger figure of Rs. 2500 crores. Rs. 100 crores is a fleabite for the small-scale industrial sector encompassing 10 lakh to 12 lakh units. So, the hon. Minister himself will agree that a fresh type of thinking is necessary. Sir, I want to ask him only one question. Sir, I feel that the credit to small scale industries out of the total credit available from the scheduled banking credit has remained stagnant at a point of 13 to 15 per cent, during the last four years, and this fund of Rs. 100 crores through a larger number of 12 lakh of small industries, I do not understand to how many people it will really do justice. For that purpose will the Government consider strengthening of this fund of Rs. 100 crores and it is not a question of Rs. 2500 crores. It may be 2500 crores to you, but to us, small scale industries, it is only 100 crores. I want to know whether it can be strengthened further and whether the overall credit facilities in the small scale sector have again to be reviewed because stagnancy in credit has come about. I would also like to know whether this fund will also assist the marketing units in the small scale organisations because that is the difficulty at present of the small scale industries as well as tiny industries.

SHRI NARAYAN DATT TIWARI: Sir, the hon. Member will agree, as my colleague, the hon. Minister, has already mentioned that this fund centralises all operations which are germane to the cause of small scale industries and, therefore, to that extent all other schemes which are being operated by different departments have been centralised and are being operated under this fund. This, I think, is a step in the right direction because so many different schemes are going on. Now all of them will be administered by this fund. Under this fund, by creating a special department under the management of an executive director of the IDBI all these things will be looked after. So it will give better operational service to the small scale sector. As I said earlier, the corpus of this fund can be increased. One hundred crores is the initial grant to this fund. It can be increased later on. As far as lending to small scale sector goes, I agree that we have to do more in this regard. We have been discussing this question with the Reserve Bank. The Reserve Bank is also considering this question in depth. But it is not true to say that the amount has not increased. The amount of the fund has increased from Rs. 2636 crores in 1980 to Rs. 6608 in 1985-86. So, it has gone up by two and a half times.

SHRI A. G. KULKARNI: It is a question of percentage credit available. Do not read these figures. These figures do not make any sense. It is a question of the percentage to total credit available. As I said, it has been stagnant between 13 and 15 per cent.

SHRI NARAYAN DATT TIWARI: It is not as if figures sometimes give a different picture. Percentagewise it may look stagnant but if you look at the number of industries which are helped and the amount allotted, it may not look stagnant. So, I would request the veteran Member to see that only percentages sometimes do not give the correct picture. But as I myself said in the beginning, we are reviewing the picture.

SHRI A. G. KULKARNI: Do not play on statistics.

MR. CHAIRMAN: Mr. Kulkarni, you cannot go on having a running commentary (*Interruptions*). The Minister has answered this question sufficiently. Now we go to the next question.